

AN ORDINANCE GRANTING TO SAN BERNARD ELECTRIC COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AND FRANCHISE TO ERECT, CONSTRUCT, MAINTAIN, OPERATE, USE, EXTEND, REMOVE, REPLACE, AND REPAIR, IN, UNDER, UPON, OVER, ACROSS, AND ALONG ANY AND ALL OF THE PRESENT AND FUTURE STREETS, SQUARES, PARKS, LANES, AND ALLEYS OF THE CITY OF PATTISON, AND OVER AND ACROSS ANY STREAM OR STREAMS, BRIDGE OR BRIDGES, NOW OR HEREAFTER OWNED OR CONTROLLED BY IT, A SYSTEM OF POLES, POLE LINES, TRANSMISSION, AND DISTRIBUTION LINES, WIRES, GUYS, CONDUITS, AND OTHER DESIRABLE INSTRUMENTALITIES AND APPURTENANCES NECESSARY OR PROPER FOR SUPPLY AND DISTRIBUTION OF ELECTRICITY FOR LIGHT, POWER, HEAT, AND FOR ANY OTHER PURPOSES FOR WHICH ELECTRICITY MAY BE USED, TO THE MUNICIPALITY AND INHABITANTS OF SAID CITY OF PATTISON OR ANY OTHER PERSON OR PERSONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PATTISON, TEXAS

Section 1. That the City of Pattison, Texas, herein called "City" grants its consent to the use of its present and future streets, alleys, highways and public grounds by the San Bernard Electric Cooperative, its successors and assigns, herein called "Cooperative," for the purpose of constructing, maintaining, and operating in the present and future streets, alleys, and public places of the City of Pattison, Texas, and its successors, electric light and power lines, with all necessary or desirable appurtenances (including underground conduits, poles, towers, wires, and transmission lines, and telephone and telegraph lines for its own use) for the purpose of supplying electricity to the said City, the inhabitants thereof and persons and corporations beyond the limits thereof, for light, heat, power, and other purposes; said consent being granted for a term of fifty (50) years from the date this Ordinance is adopted and approved.

Section 2. Poles and towers shall be so erected as not to unreasonably interfere with traffic over streets and alleys.

Section 3. Cooperative's property and operations in the City shall be subject to such regulations by the City as may be reasonably necessary for the protection of the general public.

Section 4. Cooperative shall hold the City harmless from all expense or liability for any act or neglect of the Cooperative hereunder.

Section 5. In the event Cooperative shall through any of its operations hereunder damage, tear up, or injure any street, alley, or public park, it shall promptly repair and restore same to as good condition as previously.

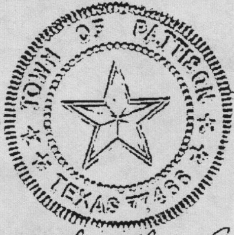
Section 6. In consideration of the grant of said privilege and franchise by the City and as full payment for the privilege of using and occupying the streets, alleys, highways, easements, parks and other public places within the City, and in lieu of any and all occupation taxes, easements and franchise taxes (whether levied as an ad valorem, special or other character of tax), and in lieu of license or inspection fees or charges, street taxes, street or alley rentals and of all other taxes, charges, levies, fees, and rentals of whatsoever kind and character which the City may impose or hereafter be authorized or empowered by law to levy or collect, excepting only the usual general or special ad valorem taxes which the City is authorized to levy or impose upon real and personal property, the Cooperative (San Bernard Electric Cooperative, Inc., its successors and its assigns) shall pay to the City of Pattison, Texas, annually and on or before January 31 of each year during the term hereof, beginning March 5, 1973, an amount equivalent to four per cent (4%) of the gross revenue received by the Cooperative, its successors and assigns, during the preceding calendar year from the sales of electricity within the corporate limits of said City. On or before January 31 of each year, a report shall be filed with the City by the Cooperative showing its gross revenues as aforesaid for the preceding year, and the payment made hereunder be based upon said report.

Section 7. Nothing herein contained shall ever be held or construed to confer upon the Cooperative exclusive rights or privileges of any nature whatsoever. This franchise is granted by the City of Pattison, Texas to San Bernard Electric Cooperative, Inc. for the purpose of allowing San Bernard Electric Cooperative, Inc. to continue providing electric service to its members in the areas incorporated or to be incorporated by the City of Pattison, Texas, in which the Cooperative was serving prior to such incorporation; and to provide electric service to any new member desiring electric service in such areas to whom central station electric service is not available.

Section 8. This Ordinance shall be cumulative and in addition to the other permits and franchises granted and ordinances owned, held or claimed by the Cooperative provided, however, that all ordinances or parts of ordinances that conflict herewith are hereby repealed.

Section 9. This Ordinance shall become effective as of March 5, 1973.

ADOPTED AND APPROVED this the 5th. Day of March, A.D., 1973.



Allen M. Taylor
Mayor of the City of Pattison, Texas

M. M. Horton
City Secretary

STATE OF TEXAS I
COUNTY OF WALLER I

I, M. M. Horton, Secretary of the City of Pattison, Texas, hereby certify that the foregoing is a true and correct copy of Ordinance No. 2, whereby the City of Pattison, Texas, and the San Bernard Electric Cooperative, Inc. agree that the San Bernard Electric Cooperative, Inc. shall continue to erect and maintain its electric light and power lines with all necessary or desirable appurtenances (including underground conduits, poles, towers, wires and transmission lines) and the City grants its consent for the use of its present and future streets, alleys, highways, and public grounds in said City, under regulations and restrictions as stated therein and that the City of Pattison, Texas shall receive payment for same, all as therein provided.

WITNESS MY HAND AND SEAL, this the 6 day of March,
A. D., 1973.

M. M. Horton
Secretary of the City of Pattison, Texas

(SEAL)

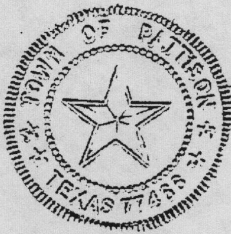


EXHIBIT A

THE STATE OF TEXAS
COUNTY OF AUSTIN

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KNOW ALL MEN BY THESE PRESENTS:

That San Bernard Electric Cooperative, Inc., a corporation with its principal office in Bollville, Austin County, Texas, being the identical corporation referred to as "Cooperative" in a certain Franchise Ordinance adopted by the City Council of the City of Pattison, Texas, on the 5th. Day of March, 1973, to a copy of which Ordinance this instrument is attached, does hereby accept such ordinance and franchise and agree to abide by the conditions and obligations on it in such Ordinance imposed.

IN TESTIMONY WHEREOF, the said San Bernard Electric Cooperative, Inc. has caused these presents to be executed by N. J. Mainer, its President, therunto duly authorized, and its corporate seal to be hereto affixed and attested by its Secretary, this the 12th day of March, A.D., 1973

SAN BERNARD ELECTRIC COOPERATIVE, INC.

By N. J. Mainer
its President

ATTEST:

Russ Willard
Secretary of San Bernard Electric Cooperative, Inc.

THE STATE OF TEXAS
COUNTY OF AUSTIN

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BEFORE ME, the undersigned authority, on this day personally appeared N. J. Mainer, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of San Bernard Electric Cooperative, Inc., and as President thereof, for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 12th day of March, A.D., 1973



Russ Willard
Notary Public in and For Austin County, Texas